

# Kentucky Revenue Cabinet



N  
E  
W  
S

---

Paul E. Patton, Governor • Dana B. Mayton, Secretary • Frankfort, KY 40620 • (502) 564-4592

---

## FOR IMMEDIATE RELEASE

**CONTACT:** Debra Eucker, Commissioner  
Department of Law  
Kentucky Revenue Cabinet  
Phone: (502) 564-4449

### REVENUE CABINET SETS 2003 TAX INTEREST RATE AT 5 PERCENT

**FRANKFORT, KY (December 18, 2002)** - Pursuant to KRS 131.183(1), the 2003 tax interest rate charged by the Kentucky Revenue Cabinet (KRC) on unpaid and delinquent taxes has been set at 5 percent. Where applicable, the same rate is paid on refunds issued by KRC.

The rate, effective Jan. 1, 2003, is based on the prime interest rate charged by Kentucky banks during October 2002. A recent survey of Kentucky banks showed that the prevailing average prime interest rate in October was 4.72 percent, which was rounded by law to the nearest full percent (5 percent).

**-more-**

## **FOR IMMEDIATE RELEASE**

**CONTACT: Tom Crawford**  
**(502) 564-8338**

### **HOMESTEAD EXEMPTION INCREASES TO \$28,000**

**FRANKFORT, KY (December 18, 2002)** – Revenue Cabinet Secretary Dana Mayton today announced an increase in the Homestead Exemption on real estate for the 2003 and 2004 tax years. The amount of the exemption is adjusted every two years for the effect of inflation.

The Homestead Exemption, originally established under a Constitutional Amendment in 1971 will exempt from taxation the first \$28,000 of a property's assessed value. This is a \$1,200 increase over the 2001-2002 exemption, which presently stands at \$26,800.

The Homestead Exemption will provide property tax savings of approximately \$90 million dollars to over 350,000 elderly or disabled Kentuckians during the 2003 tax year.

To qualify for the Homestead Exemption, a person must be at least 65 years of age during the tax year or have been classified as totally disabled by any public or private retirement system. Totally disabled homeowners must also be receiving payments connected to their disability. Eligible property must also be owned, occupied and maintained by the taxpayer as a permanent residence on the January 1 assessment date.

Any qualified person wishing to apply for a Homestead Exemption should contact the Property Valuation Administrator of his or her county.